Finance and Administration Cabinet
2014 – 2018 Strategic Plan
V8.20.13

a. Cabinet Number (2 digits) & Cabinet Name

39 – Finance and Administration Cabinet

b. Department Number (3 digits) & Department Name

750 – Office of the Secretary, Office of Administrative Services, Office of EEO and Contract Compliance, Office of General Counsel, Office of Policy and Audit

130 – Department of Revenue

758 – Office of the Controller

785 – Department of Facilities and Support Services

079 – Commonwealth Office of Technology

c. Office/Unit Number (Optional) & Office/Unit Name

N/A

d. Agency Strategic Plan Origination Date

November 1, 2013

e. Agency Strategic Plan Update/Revision Date

N/A

f. Agency Strategic Plan Revision Number

N/A

I. Agency Mission Statement

Through leadership and innovation, provide centralized support services to all agencies of state government, other government organizations and the citizens of the Commonwealth.

II. Agency Vision Statement

Highly valued service delivery by engaged employees to satisfied customers

III. Agency Organizational Core Values

Conduct business in an ethical, fair and inclusive manner

Listen, learn and share information and resources

Efficiently operate with minimum expenditure and effort

Advance, grow and improve services and service delivery

Respond and assist others enthusiastically

IV. Statement of Alignment   with the Governor's Strategic Themes/Goals

Services of the Finance and Administration Cabinet provide the foundation upon which all other state government programs and organizations operate. Although many FAC operations are "back office" and not directly apparent to many of our citizens, every business and citizen is touched by FAC. Through the provision of office space, cost-effective and secure information technology systems, the timely payment of bills and benefits, best-value procurements or the collection of fees and taxes, FAC activities align with and support each of Governor Beshear's priority areas of focus.

During the 2014-2016 Biennium, the FAC has identified nine key business initiatives – in addition to the routine functions and lines of business assigned throughout the Cabinet. These initiatives do NOT comprise the only important initiatives of the Cabinet….but do represent areas of particular expectation. The chart below depicts the relationship between each of the key initiatives and Governor Beshear's strategic themes.

	Create and protect 21st century jobs	Improve access to quality and affordable health care	Give all children valuable educational opportunities	Ensure safe communities	Provide ethical, transparent and honest state government	Develop energy resources in an environmentally friendly manner
Debit Card Program					X	
Emergency communications				X		
Fraud Analytics					X	
IT Infrastructure Consolidation					X	
KY Aerial Photography and Elevation (LIDAR)	X					
Managed Print					X	
KY Business One-Stop	X				X	
Procurement Review					X	
CEMCS					X	X
Routine Cabinet Operations	X	X	X	X	X	X

Following are illustrative examples of FAC's involvement in achieving Governor Beshear's priorities.

A. Give all children valuable educational opportunities

Through leadership provided by FAC, *access to broadband service* from border-to-border across the state is growing and educational opportunities for all citizens are enhanced. Whether pre-school, K-12, higher education, adult education or general education, the *Office of Broadband Outreach and Development* works to increase access to information and educational resources worldwide. As a result, the Commonwealth will be better-prepared to grow our participation in today's global digital economy.

More directly, agencies attached to FAC, including the *KY Higher Education Assistance Authority, the KY Higher Education Student Loan Corporation and the School Facilities Construction Commission* support the educational achievement of students across the Commonwealth.

B. Create and protect 21st Century jobs

In February 2012, Governor Beshear established a *Blue Ribbon Commission on Tax Reform*. Experts from FAC, primarily the Department of Revenue, provided information, testimony and assistance to the Commission as they identified how to better align our tax code with the principles of a 21st century economy. FAC will continue to support this alignment through budgetary requests, staffing plans, and legislative changes.

Through our leadership role in the development and implementation of a one stop business portal, *Kentucky Business One Stop*, the Finance and Administration Cabinet in conjunction with the Office of the Secretary of State and other agencies has created an extensive system of online services to simplify, streamline and expedite all necessary interactions between the business community and state government. Onestop.ky.gov allows the Commonwealth to compete effectively with other states, attract new and expanding businesses and assist existing businesses to operate and grow as expeditiously as possible.

Access and use of high-speed broadband internet supports and promotes 21st century commerce, economic development and personal communication and growth. In some rural areas of Kentucky, less than 50% of the population has access to basic internet connections and these communities suffer. The *Office of Broadband Outreach and Development* was formed by Governor Beshear to identify areas that are un-served and under-served by affordable broadband service. OBOD works with regional and community leaders, service providers, government groups and legislators to accelerate the expansion of sustainable internet access and adoption.

C. Improve access to quality & affordable health care

The FAC supports many of Governor Beshear's efforts to improve access to quality and affordable health care. Whether it is the Office of Procurement Services, the Department of Facilities and Support Services, or the Commonwealth Office of Technology – FAC places priority on health-related programs across the Commonwealth.

D. Ensure Safe Communities

The *Kentucky Early Warning System*, operated by the Commonwealth Office of Technology, ensures timely communication among public safety personnel and emergency first-responders. As a "back office" operation, the majority of our citizens may not be aware that severe weather warnings and timely and targeted emergency response are made possible by the KEWS.

Recovery Kentucky, a program operated by KY Housing Corporation, supports safer communities through supportive housing, structured education and mutual-help reliance of Alcoholics Anonymous and Narcotics Anonymous. The recovery centers made possible by KY Housing Corporation help individuals move from chemical dependency to a life of sobriety – reducing a key cause of criminal activity.

E. Develop energy resources in environmentally sustainable manner

The FAC supports Governor Beshear's focus on developing energy resources in an environmentally sustainable manner through a strong focus on energy conservation and managed utilization. One of the primary priorities of FAC in the next biennium, the continued implementation of the *Commonwealth Energy Management and Control System (CEMCS),* supports a more global ability to monitor, measure, report and conserve energy utilization in state-owned buildings statewide.

F. Provide ethical, transparent, and honest state government

The FAC has a special opportunity to influence state government operations by modeling improved processes, high performance levels and professional and ethical conduct.

The FAC hosts and maintains the Commonwealth's *Open Door* web site. Open Door, a multi-agency web portal, allows citizens access to department and agency budgets, up-to-date state employee salary information, and information on Kentucky taxes, Open Records, and ethics.

In the next biennium, FAC is prioritizing an enterprise-wide fraud detection and prevention program known as the *Fraud Analytics* initiative. By using the SAS Enterprise Fraud Framework for Government, FAC is leveraging information technology to detect fraudulent payments, wasteful trends or suspicious activities in state programs.

V. Statement of Alignment with the Agency's Budget Request & 6-Year Capital Plan

The FAC Strategic Plan is aligned with and supportive of both the Six-Year Capital Plan and the Biennial Budget Request. The cabinet will continue to focus on efficient and effective operation of state government and the continuous availability of its services. In the near-term, FAC will rely more heavily on the consolidation of services, re-examination of business processes, appropriate re-engineering and integration, the use of updated technologies and standardization of administrative practices.

While the Cabinet continually seeks improvement in its internal operational processes, the overall strategy is to become a leader in administrative methods and to drive appropriate change across all levels of government.

Mindful of the continued economic challenges facing the Commonwealth, FAC places the highest priority on statutory compliance, preservation of existing facility or service maintenance and contingencies for unforeseen expenditures or major equipment purchases.

VI. Situation Analysis/Environmental Analysis

Through the agencies that comprise the FAC, we are responsible for the construction and maintenance of state facilities, property management, expenditure control, state purchasing, postal, fleet management and printing services. The Cabinet provides the facilities and administrative support that enables agencies to provide public access to government. The Cabinet also provides management of finances, real property assets and information technology for all other state agencies; collects revenues, invests monies, accounts for financial transactions and provides oversight and manages procurement processes; and equips and supports information systems and infrastructure used throughout state government.

Rather than provide an extensive description of each of the departments, offices and divisions within the Cabinet, we have chosen to highlight key business initiatives that will deliver strategic benefit to the Commonwealth and other state agencies in the coming months and years. Detailed information about each of the organizational units is available in the FAC Budget Request, on-line at finance.ky.gov and contained within various governing statutes.

These initiatives are NOT the only important initiatives across the Cabinet….but do represent areas with particularly heightened expectation.

Commonwealth Energy Management and Control System (CEMCS)

Saving money and going "green" has been a focus for the Commonwealth since Governor Beshear signed an executive order mandating that the Commonwealth reduce energy consumption 15% by 2015 and 25% by 2025.

In response to that mandate, DFSS started the CEMCS project. CEMCS began with a pilot of 54 buildings that demonstrated facility-related energy reduction goals could be realized through the use of Enterprise Energy Management Systems (EEMS) on a statewide level. The focus of the project now shifts from pilot to wide-

scale implementation across Kentucky's 7,000+ buildings which are owned by 43 different agencies.

Today, Kentucky leads the nation in gathering and analyzing data to gain a complete understanding of the energy consumed by state-owned facilities—every minute of every day! Taxpayers can see in real-time, month to month, the savings the Commonwealth achieves via the online tracking dashboard at www.kyenergydashboard.ky.gov.

Debit Card Program

The goal of the debit card program is to provide an easily accessible alternative to paper checks for use by all state agencies, as needed. The expected outcomes are two-fold: provide a lower cost alternative to checks for those payees without a banking relationship and who are likely to pay fees to cash checks; and, to reduce the number of checks issued by the state. Both of these goals, when taken together, will result in cost-savings to the Commonwealth.

Emergency Communications

The Finance Cabinet's Department for Facilities and Support Services (DFSS) has staff which responds to maintenance issues such as power/water outages or notifies and escalates events to other emergency responders in situations such as fires. DFSS also operates CAPECON, which is the Capital Emergency Communications Network.

With this operational foundation already in place, the Finance Cabinet proposes to use an existing technology platform, GovDelivery, to communicate with state government employees about emergency situations or other non-routine happenings that may cause a disruption in work schedules.

Fraud Analytics

Through FAC leadership, Kentucky state government is leveraging technology to detect fraudulent payments, wasteful trends or suspicious activity in programs administered by state agencies. By implementing the SAS Enterprise Fraud Framework for Government, Kentucky now has a system that flags anomalies or identifies trends that signal possible corruption or fraudulent payments.

Today, the Health Benefits Exchange, Supplemental Nutritional Assistance Program (SNAP), the Temporary Assistance for Needy Families Program (TANF), and Medicaid/Medicare rely on the SAS Enterprise Framework. The Department of Revenue will use the same tools to supplement the department's existing fraud detection processes.

In the future, other programs will be incorporated, such as Unemployment Insurance, to develop an enterprise approach to detecting and preventing fraud and wasteful spending.

Information Technology Infrastructure Initiative

On October 23, 2012, Governor Beshear signed an executive order to centralize the Commonwealth's IT infrastructure services, computing equipment, and associated support staff in the Commonwealth Office of Technology (COT). The chief information officer was given operational and budgetary control of the centralized assets and functions as a member of the Governor's Executive Cabinet. Although the benefits of this centralization are many, the primary outcomes include reduced cost of IT operations across the enterprise, increased information sharing among agencies and the ability for agencies to focus on their programmatic missions rather than operational IT issues.

The centralization of IT infrastructure will continue into the next biennium and yield positive results over time.

Kentucky Aerial Photography & Elevation Data Program

For years, Kentucky has relied on elevation data that was based on decades old information that did not reflect the current land surface throughout the Commonwealth. In today's GIS-centered environment, local, regional, state and federal agencies find very little value in outdated data when planning projects or other work. Additionally, Kentucky has never had state-wide leaf-off color aerial photography. The most recent leaf-off photography was acquired in 2001-02 and only covered about one-quarter of the state.

In the next biennium, FAC will focus on bringing together multiple partners and funding streams to build a current base map for the entire state. Leaf-off aerial photography, when combined with current elevation data, reduces the cost of developing GIS applications, promotes data sharing and adds efficiencies to public and private business processes.

Managed Print Services

By implementing managed print services (MPS), the executive branch is optimizing the equipment, processes and costs associated with printing. The program will maximize savings to the Commonwealth while fully meeting each agency's unique business and print needs. Activities will focus on evaluation and optimization of the equipment, print processes and policies.

As a result of MPS, agencies will be able to update their printing equipment with efficient technology and management and maintenance associated with the equipment will be simplified.

Kentucky One-Stop Business System

The Kentucky Business One Stop (KyBOS) Portal, onestop.ky.gov, was launched on October 17, 2011, fulfilling the statutory requirements outlined in Senate Bill 8 (2011 Regular Session of the General Assembly) more than a year ahead of the deadline. Today, the homepage of the website provides easy-to-navigate links to complete various interactions with state government.

Focus now turns to expand the capabilities and scope of the portal. The executive branch, under the leadership of FAC working with the Secretary of State's office, is establishing priorities and time frames for implementation of a more robust system that will be used by web users and by the agencies' backend systems. Ultimately, information from and actions for walk-ins, mail-ins, and call-ins will be streamlined and linked in the same manner as the web portal.

Procurement Review

In the spirit of continuous improvement, the FAC has assembled a multi-agency workgroup to review all aspects of the procurement process. This review will determine ways that the procurement process can be streamlined, be more transparent, and easier for vendors and agencies to use and understand.

In the coming months, the group will identify improvements to achieve the concurrent goals of making the procurement process better while saving money. The recommendations may include statutory and regulatory changes that ensure that Commonwealth operates efficiently and effectively.

VII. Measurable Goals, Objectives & Key Performance Indicators

Goal 1: Deliver high quality services to FAC customers

1.1 Measure FAC programs and services against expectations of external organizations

1.1.1 Commonwealth bond ratings

1.1.2 Commonwealth investment practices

1.1.3 Certificate for Achievement for Excellence in Financial Reporting from the Government Finance Officers Association

1.1.4 Audit exceptions in the APA statewide single audit and associated audits

1.1.5 Center for Digital Government ranking of electronic government services or web presence

1.1.6 Rating of the Kentucky Open Door website by US Public Interest Rating Group

1.2 Retain a highly competent, ethical and diverse workforce

1.2.1 Employee turn-over ratio

1.2.2 Minority and female diversity

1.2.3 Job-specific staff development opportunities

1.2.4 Management skills development available to current management staff as well as staff interested in pursuing management opportunities in the future

1.2.5 Mandatory ethics training or review

1.3 Meet the expectations of citizens and agencies across the executive branch

1.3.1 Statewide broadband access

1.3.2 Statewide broadband utilization

1.3.4 Voluntary electronic tax filers

1.3.6 Post-procurement contract management and review

1.3.7 Dept of Revenue productivity

1.3.8 MWBE certification program participation

1.3.9 Business registrations and filings via Business One-Stop

Goal 2: Operate with the greatest level of efficiency

2.1   Strengthen use of shared services offered by FAC

2.1.1   Enterprise-wide use of centralized IT services

2.1.2   Shared motor pool utilization

2.1.3   Discounted rates for US postal services

2.1.4   KY Automotive Self-insurance Program participation

2.1.5   ePay utilization

2.1.6   EFT utilization

2.1.7   Maximize centralized or shared investments

2.1.8   Energy utilized in state-owned buildings

2.1.9   Devices included in managed print program

2.1.10 Debit cards issued

2.2 Strengthen dialogue with FAC staff

2.2.1   Issue an FAC-wide newsletter

2.2.2   Renovate and re-launch the FAC Intranet

2.2.3   Reduce "Finance All" email messages

Goal 3: Administer governmental operations effectively

3.1 Increase the accountability of state government via transparency

3.1.1   Maximize information available via Open Door

3.1.2   Open records request processing

3.1.3   Enhance citizen's abilities to initiative open records requests

3.1.4   Programs included in fraud analytics program

3.2   Reinforce principles of data quality in the Commonwealth's management systems

3.2.1   Develop and conduct eMARS data quality workshops for all eMARS user agencies

3.2.2   Conduct informational seminars for local officials by Dept of Revenue

3.2.3   Strengthen Dept of Revenue-sponsored outreach

3.2.4   Professional development opportunities within staff workplaces

3.3   Continuity of governmental operations

3.3.1   Develop a backup and job turnover plan for employees

3.3.2   Create a leadership development program for FAC staff

3.3.3   Institutionalize and formalize the processes and practices of FAC